

CIVILIAN PERSONNEL NEWSLETTER

*** SPECIAL EDITION ***

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Goodfellow AFB, Texas

Hiring Controls/Hiring Freeze

This special edition of the Civilian Personnel Newsletter is being published to provide you with information on the most recent actions being taken by the federal government to decrease spending in an effort to meet a reduced federal budget. Civilian funding across the Air Force is a significant challenge in FY12 as a result of DoD-mandated reductions in the FY12 President's Budget and other reductions expected during the enactment process. Civilian end-strength has been capped at FY10 levels and is driving significant civilian reductions across the Air Force.

As explained in our last newsletter, hiring controls were implemented in May which instituted a 1:4 hiring ratio for AETC installations. This meant an installation had to get four NEW vacancies before they could fill one position. On 11 August, new guidance came down superseding the hiring controls and instituting a hiring freeze for all positions (with very few exceptions). The hiring freeze will remain in place for a minimum of 90 days. The 90-day hiring freeze is intended to quickly reduce civilian strength levels to budgetary levels and enable future hiring to support the most critical mission requirements.

The freeze applies to all permanent, temporary and term vacancies. Unless a selection had already been made for a vacant position, all fill actions in the process have been cancelled and returned without action. Appropriate supervisors have been notified. These guidelines have also mandated that temporary and term employees must be terminated no later than 30 September 2011 when feasible and allowable by personnel regulations. Employees and their supervisors who are affected by this will be, or have been notified. These employees will be given a written 30-day notice.

After this 90-day period, we anticipate even more stringent controls on hiring, possibly abolishment of positions. We have received information that Voluntary Early Retirement (VERA) and Voluntary Separation Incentives (VSIP) will be available but have gotten no specific information on who will be eligible for VERA/VSIP. Once information is received we will survey the appropriate workforce for interest in accepting a VERA/VSIP. Additional articles in this newsletter provide information on these programs.

Voluntary Early Retirement Authority (VERA)

Under 5 USC 9902(f)(1), the Secretary of Defense has the legal authority to establish a program within DoD "under which employees may be eligible for early retirement, offered separation incentive pay to separate from service voluntarily, or both. This authority may be used to reduce the number of personnel employed by DoD. To be eligible for VERA an employee must be either age 50 with 20 years of creditable service or have 25 years of total creditable service at any age. CSRS employees who take a VERA will face a 2% reduction in annuity per each year under the age of 55. There is no reduction for FERS employees. Temporary or Term employees are not eligible for VERA. Employees must

have been employed by DoD for more than 30 days prior to the date of the VERA announcement to be eligible. Once specific information is received, a survey soliciting employee interest in VERA will be sent out. The survey will provide information on how to apply. The survey will include the date the survey must be returned to the Civilian Personnel Section (CPS) to be considered. Not all employees who express interest will be selected since only a limited number of VERA offers will be approved. The survey will provide information to let the employees know when they must be off the rolls.

Voluntary Separation Incentive Pay (VSIP)

VSIP, which is commonly referred to as a buyout, is a payment of up to \$25,000 to encourage eligible employees to separate from service voluntarily (either by retirement or resignation) to avoid or minimize the need for involuntary separations. The buyout payment is equivalent to an employee's severance pay entitlement up to a maximum of \$25,000 (before taxes). VSIP is calculated using the severance pay formula in Title 5, USC Section 5595(c). Using this formula, any severance pay previously received must be deducted from the lifetime entitlement. The VSIP amount is either \$25,000 or the amount of severance pay the employee would be entitled to, whichever is less. VSIP is subject to federal and any applicable state and local taxes, and is considered income in the year it is received.

To be eligible for VSIP, an employee must be a US citizen, employed in an appointment without time limitation, and must have been employed by DoD for a continuous period of at least 12 months. The VSIP amount can be paid in a lump sum, or in two installment payments. An employee is ineligible for a buyout if he or she:

- Is a reemployed annuitant

- Is or would be eligible for disability retirement
- Is a Schedule C excepted appointment
- Has accepted a position with another Federal agency
- Has received a specific notice of RIF separation
- Has received a decision notice of involuntary separation for misconduct or unacceptable performance
- Has previously received a buyout

Additional restrictions preventing a VSIP offer which may be reviewed/waived on a case by case basis are employees:

- Covered by a written service agreement resulting from a PCS, training, or receipt of relocation/recruitment bonus
- Is occupying a position defined as hard to fill
- Is occupying a position for which special salary rates are approved

An employee who accepts a VSIP may not be employed in any federal position, including personal services contracts and NAF for a period of 12 months after separation. If employed within 5 years of separation, the entire amount of the incentive must be repaid.

Final Comments

I hope you find this special edition newsletter useful and informative. We will provide updated information as we are able. If you have any questions, please feel free to contact the CPS at 654-3325/3327.